



Health Services
LOS ANGELES COUNTY

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*To ensure access to high-quality,
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health care to Los Angeles
County residents through direct
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May 17, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AN AMENDMENT TO THE AGREEMENT WITH INSIGHT
HEALTH CORPORATION FOR MAGNETIC RESONANCE IMAGING
SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of an amendment to the Agreement with InSight Health Corporation to provide magnetic resonance imaging guided breast biopsy procedures for County patients and modify magnetic resonance imaging scan procedures.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 3 to Agreement H-703334 with InSight Health Corporation (InSight) to incorporate the service procedure of Magnetic Resonance Imaging (MRI) guided breast biopsies for the patients served at Olive View-UCLA Medical Center (OV-UCLA MC) and Harbor-UCLA Medical Center (H-UCLA MC), effective upon Board approval through June 30, 2018, for an additional cost of \$254,100, increasing the total contract maximum cost to \$69,891,577; and implement a priority MRI scan procedure that is completed prior to the receipt of the approved Treatment Authorization Request (TAR).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommendation will authorize the Director, or his designee to execute an Amendment, substantially similar to Exhibit I, to add MRI guided breast biopsies as an additional procedure available for County patients. The existing Agreement with InSight provides contract MRI services to H-UCLA MC, OV-UCLA MC, LAC+USC Medical Center (LAC+USC MC), Rancho Los Amigos National Rehabilitation Center (RLANRC) and Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK MACC).

MRI guided breast biopsy examinations will allow the facilities of H-UCLA MC and OV-UCLA MC to provide this service to County patients when the identification of lumps or abnormalities in the breast cannot be detected by physical examination, mammography or other imaging studies.

The patient population served by these services are women with over 20% lifetime risk of developing breast cancer, including patients with the breast cancer gene and patients recently diagnosed with breast cancer. Patients with an abnormality discovered with an MRI will be first re-evaluated by mammography or ultrasound. If the abnormality can also be seen by mammography or ultrasound, the biopsy will be performed with that modality. If the lesion is only visualized by MRI and not any other modality, the patient will require an MRI guided biopsy. Based on the patient data and volume, it is estimated that approximately 12 MRI guided breast biopsies would be performed annually for H-UCLA MC with an estimated total of 27 MRI guided breast biopsies required at implementation of the new procedure and 10 to 15 annually for OV-UCLA MC.

RLANRC needs to establish a clinic that will provide services to LAC-USC MC Ortho-Diabetic outpatients within a same-day time frame to determine whether the patients will need to have an amputation or can be sent home with antibiotic treatment. In order to accomplish this, RLANRC needs InSight to initiate and complete MRI procedures for Ortho-Diabetic patients at the request of the Physician during the clinic appointment and prior to the receipt of TAR approval. This new service procedure has been identified as Priority Scans (PS) and is different from the current process, but will result in increased efficiency in patient services. Although the new process will be initially implemented at RLANRC to facilitate the provision of patient services and reduce inpatient volume, the intent is to expand the procedure globally to all other DHS facilities who receive services under this Agreement.

RLANRC will compensate InSight at the time of the provision of services, however InSight will also complete and submit the appropriate documentation to obtain approval from the Medi-Cal field office for the MRI services provided to the PS patients. Subsequently, when InSight receives payment from Medi-Cal for the services provided to PS patients, the County will be reimbursed for their payments. Rancho and InSight have a protocol to track Medi-Cal pending patients to ensure reimbursement.

The current Agreement with InSight will expire June 30, 2018.

Implementation of Strategic Plan Goals

The recommended action supports Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Under the existing Agreement, InSight is compensated on a fee-per-scan rate of \$546.10 for County patients. The contract maximum obligation for providing MRI patient care services for this Agreement for the period June 24, 2008 (date of Board approval) through June 30, 2018, is \$69,637,477. The additional cost for the MRI guided breast biopsy procedures will be \$1,100 per-procedure at an estimated additional cost effective date of Board approval through June 30, 2018 of \$122,100 for H-UCLA MC and \$132,000 for OV-UCLA MC, increasing the total maximum obligation to \$69,891,577.

Funding is included in the DHS Fiscal Year (FY) 2010-11 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 24, 2008, your Board approved a new Agreement with InSight to ensure the continued provision of MRI patient care services at H-UCLA MC, OV-UCLA MC, LAC+USC MC, RLANRC and MLK MACC. Under this Agreement, InSight also facilitates the construction and remodeling of buildings as required at H-UCLA MC, OV-UCLA MC, RLANRC and MLK MACC and installed new MRI scanners as necessary for the negotiated all inclusive rate-per-scan price of \$546.10.

LAC+USC MC was initially included as a service site pending the completion of their new facility, however since the construction is complete, they do not utilize InSight for the provision of these services.

On July 1, 2008 and June 24, 2009, Amendments 1 and 2 were processed under the delegated authority to the Department that revised the Exhibit C, Price and Payment MRI Payment Chart and also implemented background and security investigations for Contractor staff who provide services associated with this Agreement.

The approval of Amendment No. 3 will provide the additional service of MRI guided breast biopsy procedures at H-UCLA MC and OV-UCLA MC and will be performed on an outpatient basis and provided for patients whose suspected lesion cannot be identified using mammography or ultrasound.

InSight will provide the MRI equipment and technologists at their site for the H-UCLA MC and OV-UCLA MC facilities. OV-UCLA MC and H-UCLA MC will provide the procedure supplies, radiologists and nursing support to perform the minimally invasive image guided biopsy and analysis of the biopsy tissue/specimens.

Under the termination provisions, the Agreement may be terminated for convenience with a 30-day advance written notice.

All of the latest Board mandated provisions are included in the Agreement.

County Counsel has approved Exhibit I as to use and form. The respective program office administration sections will continue to monitor the performance of this contractor to assure compliance with the terms and conditions of the Agreement.

CONTRACTING PROCESS

The Honorable Board of Supervisors

5/17/2011

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Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommendation will ensure the uninterrupted provision of critical MRI services to the patients served by DHS facilities.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:ms

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

MAGNETIC RESONANCE IMAGING SERVICES AGREEMENT

SUMMARY OF FISCAL IMPACT/FINANCING

June 24, 2008 – June 30, 2018

Amendment No. 3 Date of Board Approval (DBA) – June 30, 2018

<u>Initial Contract Maximum</u> <u>06/24/08 - 06/30/18</u>	<u>Amendment No. 3</u> <u>DBA - 06/30/18*</u>	<u>Total Contract Maximum</u> <u>06/24/08 – 06/30/18</u>
\$69,637,477	\$254,100*	\$69,891,577

- * The Amendment No. 3 contract cost consists of \$132,000 for OV-UCLA based on an estimated total of 15 MRI guided breast biopsies performed annually and \$122,100 for H-UCLA based on an estimated total of 27 MRI guided breast biopsies required at implementation of the new procedure and 12 MRI guided breast biopsies performed annually thereafter for the remaining term of the Agreement.